Peabody decision

Kennecott Copper's board will decide soon whether to accept either of two bids for its Peabody Coal subsidiary. The bidders: The Utilities Group and a consortium headed by Newmont Mining.

In 1971 the Federal Trade Commission ruled Kennecott's acquisition of Peabody anticompetitive and ordered the copper firm to formulate a divestiture plan. Since that time, several companies and groups of companies have placed bids. Late in July, in a move to prod Kennecott to make a decision, FTC requested the U.S. Court of Appeals in Denver to impose heavy fines against the firm for failure to comply with the divestiture order (*CW, Aug. 11, p. 14*).

The copper firm told the court last week that it will determine soon whether to sell Peabody to The Utilities Group, a consortium that includes Martin Marietta, Transco and six utilities. A few days later, Kennecott reported that another group, headed by Newmont Mining, had submitted a "revised and substantially improved proposal." Newmont, Texasgulf and The Williams Companies each hold a 25% interest in that group; Fluor has a 20% stake; and the Equitable Life Assurance Society has 5%.

Another possible divestiture plan—spinning off 80% of Peabody's shares to Kennecott stockholders and selling the rest to an individual buyer—is still under consideration. Kennecott emphasized, however: "In the present circumstance of the two companies [Kennecott and Peabody] this is especially difficult and, without its sound resolution, spinoff isn't a practical course of action."

Kennecott maintains that ICM-Carbonia, another participant in earlier bidding, is out of the running because it could not raise enough cash. Carbonia, however, says it still considers itself a Peabody bidder, but "only under special circumstances." The company would not elaborate.

One possibility is that Carbonia might be interested in picking up the 20% remainder of a Peabody spinoff.

Ant bait output halted

Production of fire ant bait has virtually halted because of a shortage of mirex pesticide, says the Mississippi Dept. of Agriculture and Commerce. Mississippi has been the sole producer of the finished product since it bought a mirex manufacturing plant from Allied Chemical last spring.

State Agriculture Dept. consultant William Fancher explains the state produces only the bait and has "never made technical-grade mirex," the pesticide's active ingredient. It has been using mirex that was left over at the Allied plant when the state took it over.

Fancher reports the state is trying to negotiate a contract with Hooker Chemicals to deliver mirex from its Niagara Falls, N.Y., plant. He says no progress has been made on such a contract, suggests Hooker may be hesitant to ship the material because of uncertainty about the possibility of an Environmental Protection Agency ban.

Hooker discontinued making mirex in 1967.

William Butler, attorney for the Environmental Defense Fund, says he believes Hooker will not ship mirex to Mississippi until the company receives indemnifications from the state against possible lawsuits pertaining to the pesticide.

Hooker has declined to comment on the subject of shipments.

EPA has been holding hearings on the question of whether to ban mirex since test results suggested it poses environmental and health hazards. Mississippi has asked EPA for two years in which to phase out mirex use, but the agency has not yet ruled on the state's request (*CW, Sept. 15, p. 11*).

Pemex has big plans

Mexico will spend $12 billion to develop its oil and petrochemical industries in the next six years, says Antonio Dovali Jaime, director-general of Petroleos Mexicanos (Pemex), state-owned oil and petrochemical agency. And a major portion of the output from Mexico's vast oil finds will be diverted into the petrochemical industry, Dovali Jaime told a meeting of the American Society of Mechanical Engineers in Mexico City last week.

Since 1971, Pemex petrochemical production has more than doubled, to 4.4 million tons/year of feedstocks, about plans to increase its share of crude oil consumption for petrochemicals from 5.2% in 1976 to 17% in 1982. By that time, said Dovali Jaime, the Mexican petrochemical industry will be using 17.3 million tons/year of feedstocks, about the three times the present amount.

He reported that Pemex crude output will reach 1 million bbls./day this year, an 86% increase since 1971. Imports of refined products will stop when a 150,000-bbls./day refinery comes on-stream at the end of this year.

Search for substitutes

Although the recent National Academy of Sciences report on the possible effects of chlorinated fluorocarbons on the earth's stratospheric ozone refrained from recommending a ban on the aerosol propellants, aerosol product manufacturers apparently are taking no chances (*CW, Sept. 22, p. 10*).

Many producers of cosmetics and personal-care items sold as fluorocarbon-propelled aerosols say they are seeking alternative propellants in case the government bans the widely used fluorocarbons 11 and 12.

A Mennen official says the company is experimenting with different aerosol versions of its hair sprays, antiperspirants and deodorants in an effort to use propellants that are "safe on ozone."

The company, which has already introduced nonaerosol forms of those products, adds that it is prepared to turn out aerosols without the chlorinated fluorocarbons if required.

An Alberto-Culver official points out that the firm has been marketing two nonfluorocarbon aerosol hair sprays for professional salon use since 1975 and is planning to introduce a new aerosol hair spray formula for consumers; it will use a carbon dioxide-based propellant. Citing the "ozone scare" as an important motivation for Alberto-Culver's propellant switch, the official notes: "We're ready to jump either way."

Alternative propellants currently under study include hydrocarbons, which are less expensive than fluorocarbons but more toxic and flammable, and CO_2, whose drawback is that it can react with water in aerosol products and corrode the inside of cans. Neither hydrocarbons nor CO_2 deliver as fine a spray as fluorocarbons 11 and 12.

A third alternative is the less stable fluorocarbon 22, which presumably would pose less of a threat to ozone. Although it is more expensive than 11 or 12, fluorocarbon 22 is now a major focus of research at Gillette, which favors what it calls "safe" fluorocarbons.

Hair spray and deodorant makers' big shift to pumps and roll-ons has been motivated by a growing customer preference for nonaerosol forms.

At Revlon, every aerosol product has a pump spray version, but the company says it has no plans to develop nonfluorocarbon aerosols. Should fluorocarbons be banned, Revlon would "steer as far away as possible from aerosols," the company says.

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PCB action widens

Last week a dozen residents of Alabama and Georgia filed a $500-million class-action suit against General Electric and Monsanto as a result of the closing of portions of rivers near Rome, Ga., to commercial fishing because of contamination by polychlorinated biphenyls. And in a separate development, the highest levels of PCBs ever discovered in U.S. shellfish—up to 53 parts per million—have been found in the Acushnet River, near New Bedford, Mass., during an Environmental Protection Agency survey.

The Georgia Environmental Protection Division, Dept. of Natural Resources, earlier this month closed the Coosa River and portions of the Oostanaula and Etowah rivers when unacceptably high levels of PCBs were found in fish. The Coosa flows into Lake Weiss on the Georgia-Alabama line. Georgia officials blamed poor "housekeeping" procedures at GE's transformer plant near Rome.

The suit charges that GE "has either willfully, wantonly, negligently or recklessly allowed and caused" the release of PCBs into streams flowing into the Coosa. Monsanto is named in the suit as the PCBs supplier.

New Bedford Incident: The findings at New Bedford are the result of the initial phase of EPA's nationwide search for PCB contamination. In addition to finding the material in shellfish, levels from 500 to 620,000 parts per billion were found in sediment. Cause of the contamination has not been determined. In early 1976 capacitor manufacturers Aerovox Corp. and Cornell-Dublier discontinued disposal of PCBs in New Bedford's municipal landfill and are storing wastes at their own facilities. EPA plans to test the city's wastewater treatment plant's incinerator for PCB emissions.

The Acushnet has been closed to shellfishing for several years because of high bacteria levels. The Food and Drug Administration's tolerance level for PCBs is 5 ppm.

One OK, two recalls

Last week Eli Lilly (Indianapolis) resumed production of its pre-emergence herbicide, Treflan trifluralin, which has been under review since Sept. 2 for the presence of nitrosamines, supected as carcinogenic to humans. But in the case of cotton pesticides, the Environmental Protection Agency reports that Ciba-Geigy (Ardsley, N.Y.) and Nor-Am Agricultural Products (Chicago) have voluntarily recalled their chlordimeform insecticides because tests indicate that the principal ingredient may cause malignant tumors in mice.

Lilly's production schedule had been set back about two weeks to enable testing as a result of a study that found a Treflan product contained 154 parts per million of dipropylnitrosamine. The study, made under a National Science Foundation grant, was discussed early this month by Thermo Electron Corp. (Waltham, Mass.) researchers at the American Chemical Society's San Francisco meeting.

Lilly says its follow-up tests and review of toxicological data show that the herbicide and its production process are not carcinogenic. The firm adds that the initial Thermo Electron study detected no nitrosamines in the crop, air or irrigation water runoff in the field treated with Lilly's herbicide. In 1975, substantially all of Lilly's agricultural division's $237.5 million in sales stemmed from Treflan products, which are used chiefly on cotton and soybeans.

In addition, EPA tests found that the product was not an imminent hazard to humans.

Thermo Electron notes that its study to screen pesticides found five of the seven herbicide products tested contained nitrosamines. In four, dimethylnitrosamines ranged from 640,000 ppm to 300 parts per billion. The company says the Treflan sample containing dipropylnitrosamine was taken from cans being used in the field, while the samples containing dimethylnitrosamines came from cans bought in a retail outlet.

Chlordimeforms Recalled: In the case of the chlordimeforms, Ciba-Geigy says the findings, based on readings taken in the 16th month of an approximately 30-month study, are preliminary. But the firm notes that the results are contrary to those of earlier long-range studies of rats and dogs, and it says it has no reports or indications at present that the product may cause cancer in humans.

Ciba-Geigy says chlordimeforms are a small, but significant, segment of the total cotton pesticides market because the chemicals are the only available ovicide, which kills the eggs of cotton budworms and bollworms before crops can be damaged.

Galecron insecticide accounts for 2% of Geigy's total division sales on all agricultural products, while Fundal is Nor-Am's major product line.

The U.S. Agriculture Dept. estimates use of chlordimeforms at 2-3 million lbs./year, of which 90% is for cotton.

Checking into thorium

The Energy Research and Developmer Administration will provide $259,000 for two-year occupational health survey t determine the effects that thorium ma have on the human body.

The study, to be conducted at Argonn National Laboratory (Argonne, Ill.), expected to help set safety and licensin standards for thorium-processing firms

Thorium is being considered as a fue for power-producing nuclear reactors.

ERDA plans to select subjects for th tests from among a list of 560 forme employees of Lindsay Light and Chemi cal's plant in West Chicago. From th mid-1930s until it was shutdown in 1973 the plant was involved in separating and purifying thorium and other rare-earth minerals from monazite, which is a thorium ore.

Kerr-McGee (Oklahoma City) took over the plant before it was shutdown It owns the land at the site.

Records indicate that the workers in the study group were employed at the plant more than one year and may have had considerable exposure.

However, ERDA adds there is no evidence that they may have suffered any adverse effects.

Peso floats, profits sink

The Mexican government's currency float, which began Sept. 1, will reduce earnings for many U.S. chemical process industries firms with operations in the country. The float, intended to bolster the competitive position of Mexican exports and spur tourism, reduced the value of the peso from 8¢ to about 6¢.

Company comments gathered last week tend to indicate that, despite this devaluation, the CPI still views Mexico as a favorable place to carry on business. Most firms, however, say they hope they will be able to raise prices to offset some of the float's adverse effects.

Sherwin-Williams, whose fiscal year-end coincided with the float launching, reports it will incur a currency conversion charge of "slightly more than $3 million, or 60¢/share," against consolidated 1976 earnings. Chairman Walter O. Spencer adds, however, that the float will have no direct effect on the company's operations in Mexico, which include a coatings plant and 74 company-operated stores. He terms the wholly owned subsidiary "strong and profitable."

Du Pont, which has whole and part ownerships of several chemical and fi-

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